[*Translation*]

Income Tax raids conducted in Rajasthan

2849. SHRI DAU DAYAL JOSHI: Will the Minister of FINANCE be pleased to state:

(a) the details of raids conducted by the Income Tax Department in Rajasthan during the last three years;

(b) the details of illegal goods and money confiscated in these raids;

(c) the details of cases disposed of so far;

(d) whether the seized goods and cash have been returned to the concerned persons after setting their cases;

(e) if so, the details thereof; and

(f) if not, the reasons therefor and the details of the property yet to be returned?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b). The details of searches conducted by the Income Tax Department in Rajasthan and the seizures of unaccounted valuable assets made during the financial years 1988–89, 1989–90 and 1990–91 are given in the enclosed statement.

(c) to (f). Some of the above 611 cases may not have been finally disposed of as the decisions regarding the release/retention of the seized assets are taken at various stages viz. u/s 132(5) and 132(12), on furnishing adequate security, on completion of assessment and on finalisation of appellate proceedings for which no consolidated case–wise record has been maintained by the Department.

STATEMENT

Financial Year	*No. of searches conducted*	*Seizure of valuable assets (Rs. in lakhs)*			
		cash	*Jewellery*	*Others*	*Total*
1988–89	349	83.74	506.79	138.75	729.28
1989–90	158	45.65	303.93	217.54	567.12
1990–91	104	92.51	399.52	502.13	994.16

[*English*]

Compulsory cost Audit of Consumer Items

2850. SHRI S.B. THORAT: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether there is any proposal under consideration of the Government to extend compulsory cost audit to a number of consumer items; and

(b) if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): (a) and (b). A number of consumer items like drug formulations, milk food, infant milk food, cotton

textiles, paper, sugar, vanaspati etc. are already under cost audit. Prescribing of cost audit in respect of industries engaged in manufacturing or processing of consumer items or other items is a continuous exercise. Steps are taken for covering important industries and products under cost audit from time to time. Government have recently initiated steps to extend compulsory cost audit to such consumer items as edible oils and toilet preparations such as tooth pastes and soaps.

[*Translation*]

Evasion of Income–Tax by Share–Brokers

2851. SHRI S.N. VEKARIA: Will the Minister of FINANCE be pleased to state:

(a) the amount of income tax outstanding against share–brokers as on December 31, 1991;

(b) whether the Government are aware of the alleged large scale tax evasion by share brokers;

(c) if so, the details thereof; and

(d) the steps taken/proposed to be taken by the Union Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) The statistics relating to collection and payment of taxes and tax in arrears etc. are maintained by the Income–tax Department assesseewise. Therefore, in order to compile the statistical information for furnishing a reply to the question, data will have to be called from each of the Assessing Officers located all over the country with whom share–brokers are assessed to tax. It is submitted that the time spent and the effort involved in collection of the information may not be commensurate with the result sought to be achieved. In case information about any particular share–broker is desired, the same will be collected and furnished.

(b) to (d). Instances of income tax evasion in cases of some share–brokers have come to light. In the course of the searches conducted by the Income Tax Department, prima facie unexplained cash, jewellery, stock and share scrips and other assets have also been found and seized. The share–brokers also admitTed and offered for taxation additional incomes. The results of the searches conducted in cases of share–brokers are as follows:–

Period	*No. of searches*	*Value of assets seized*	*Disclosure under section 132(4) of Income Tax Act*
			(Rs. in lakhs)
1990–91	55	851.16	1532.17
1991–92 (upto Feb. '92)	50	428.72	217.93

Combating tax evasion by persons, including share–brokers, is a continuous exercise and the Income Tax Department conducts searches, surveys and other investigation in appropriate cases on a regular basis for detecting tax evasion. Such measures, as deemed appropriate from time to time are taken in cases of share–brokers also.